

ADB/WTO Seminar on MFTR Preparation

Introduction to Memorandum on the Foreign Trade Regime (MFTR)

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**Geneva/Ashgabat
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Outline

01

WTO Accession procedure

- Mandate: Article XII of the Marrakech Agreement
- Negotiating process: multilateral and bilateral negotiations

02

Memorandum on the Foreign Trade Regime

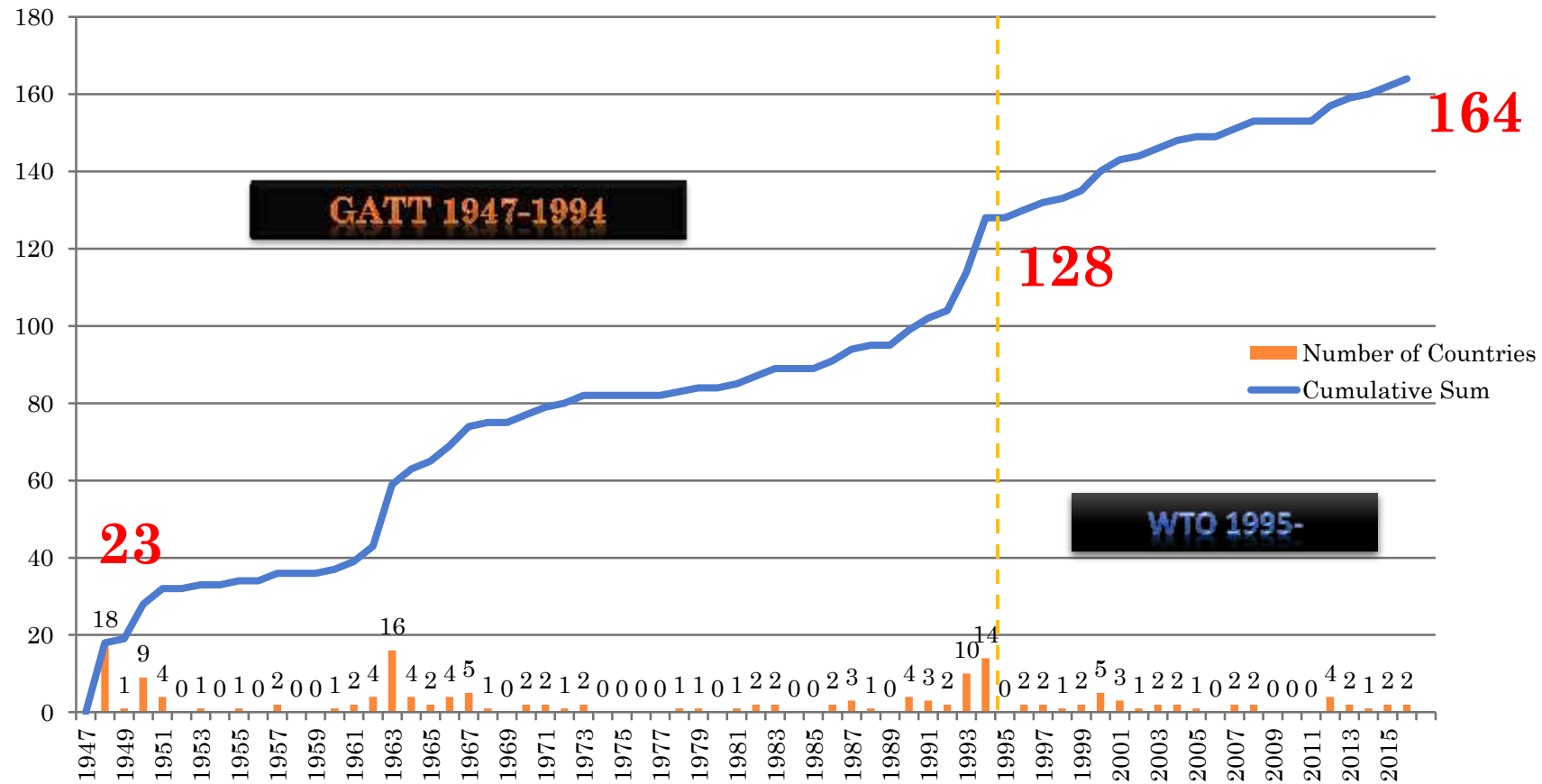
- Role
- Structure
- Examples from WTO Accessions

03

Preparation of the Memorandum

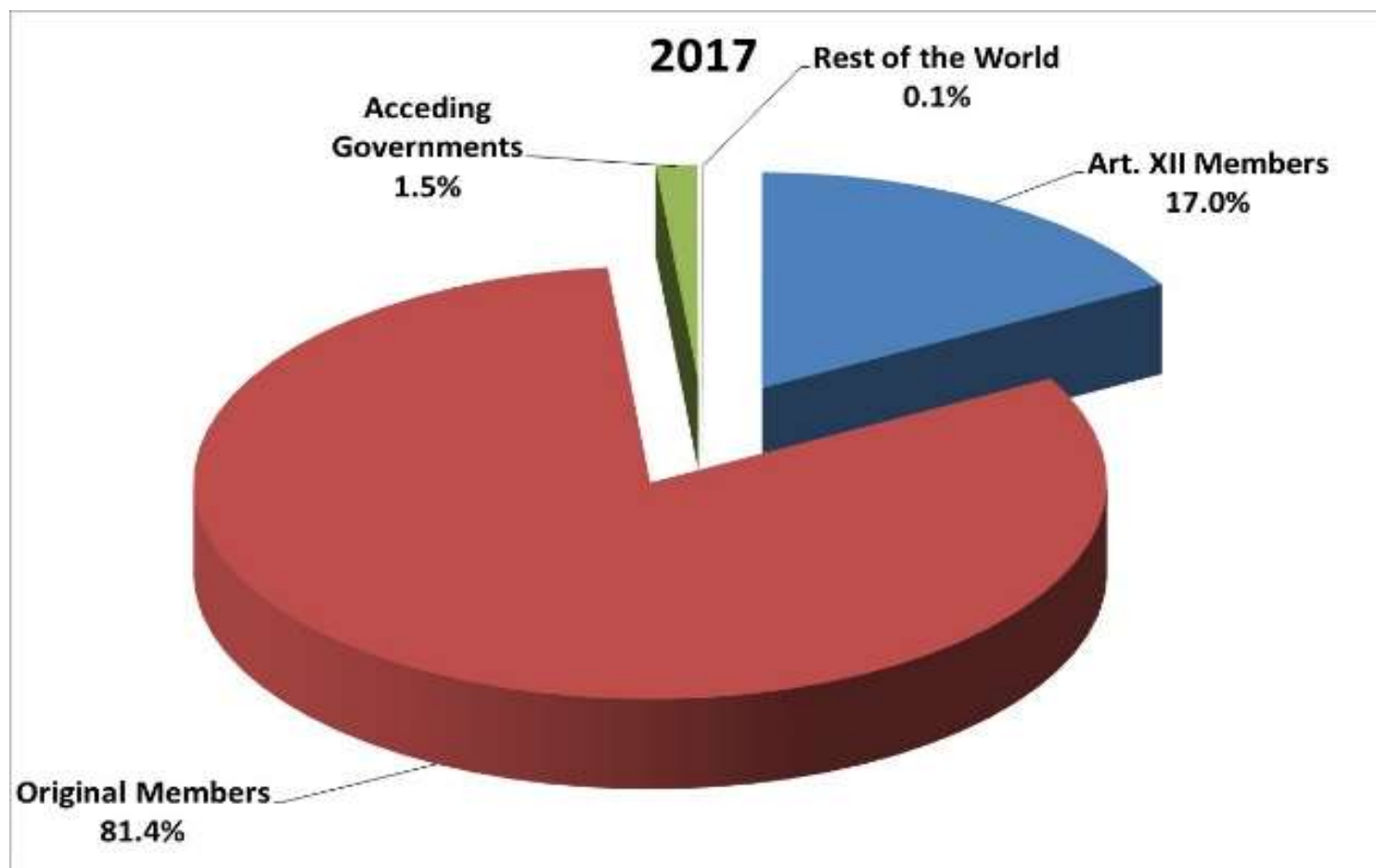
- Interministerial coordination
- Technical assistance

GATT/WTO Membership Evolution



NOTE: There were 23 contracting parties in 1947. However, only 18 of them are included for 1948 due to the withdrawal from the Agreement of several of them before the establishment of the WTO. Thus, this graph includes 128 governments that signed under the GATT and 36 governments that acceded to the WTO through the procedure established by Article XII of the Marrakesh Agreement.

Trade coverage: approx. 98%



WTO Membership - Overview



ORIGINAL WTO MEMBERS (128)

WTO MEMBERS WHICH NEGOTIATED PURSUANT TO ARTICLE XII (36)

ACCESSING GOVERNMENTS (22)

Ecuador	Lithuania	Cabo Verde
Bulgaria	Moldova, Republic of	Montenegro
Mongolia	China	Samoa
Panama	Chinese Taipei	Russian Federation
Myanmar Republic	Armenia	Vanuatu
Latvia	The former Yugoslav Republic of Macedonia	Laos People's Democratic Republic
Estonia	Nepal	Tajikistan
Jordan	Cambodia	Yemen
Georgia	Saudi Arabia, Kingdom of	Seychelles
Albania	Viet Nam	Kazakhstan
Oman	Tonga	Liberia
Greece	Ukraine	Afghanistan

Algeria	Comoros, Union of the	Sao Tome and Principe
Andorra	Equatorial Guinea	Serbia
Azerbaijan	Ethiopia	Somalia
The Bahamas	Iran	South Sudan
Belarus	Iraq	Sudan
Bhutan	Lebanese Republic	Syrian Arab Republic
Bosnia and Herzegovina	Libya	Timor-Leste
		Uzbekistan

Acquiring status to the WTO

Заявление на получение статуса наблюдателя

4. Правительства, желающие запросить статус наблюдателя в Генеральном Совете, должны направить этому органу письмо, выражающее их намерение начать переговоры о присоединении к Соглашению о ВТО в течение максимум пяти лет, и представить описание своей текущей экономической и торговой политики, а также любые предполагаемые будущие реформы этой политики.

Руководство по статусу наблюдателя в ВТО - Приложение 2 "Правил процедуры для сессий Министерской Конференции и заседаний Генерального Совета" (WT/L/161)

Заявление о присоединении

1. Любое государство или отдельная таможенная территория, обладающая полной автономией в ведении своих внешних торговых отношений и в других вопросах, предусмотренных в настоящем Соглашении и Многосторонних торговых соглашениях, может присоединиться к настоящему Соглашению на условиях, согласованных между таким государством или территорией и ВТО.

Статья XII Марракешского Соглашения

Observership application

- Turkmenistan is granted WRO observer status by Decision of WTO General Council on 22 Ju
- Intention to initiate accession negotiations within 5 years



(20-3631)

WT/L/1090

15 May 2020

Page: 1/4

Original: English

TURKMENISTAN – REQUEST FOR OBSERVER STATUS

COMMUNICATION FROM TURKMENISTAN

The following communication, dated 15 May 2020, has been received from the Minister of Foreign Affairs of Turkmenistan.

On behalf of the Government of Turkmenistan, I have the honour to submit Turkmenistan's application for observer status in the General Council of the World Trade Organization (WTO) and its subsidiary bodies.

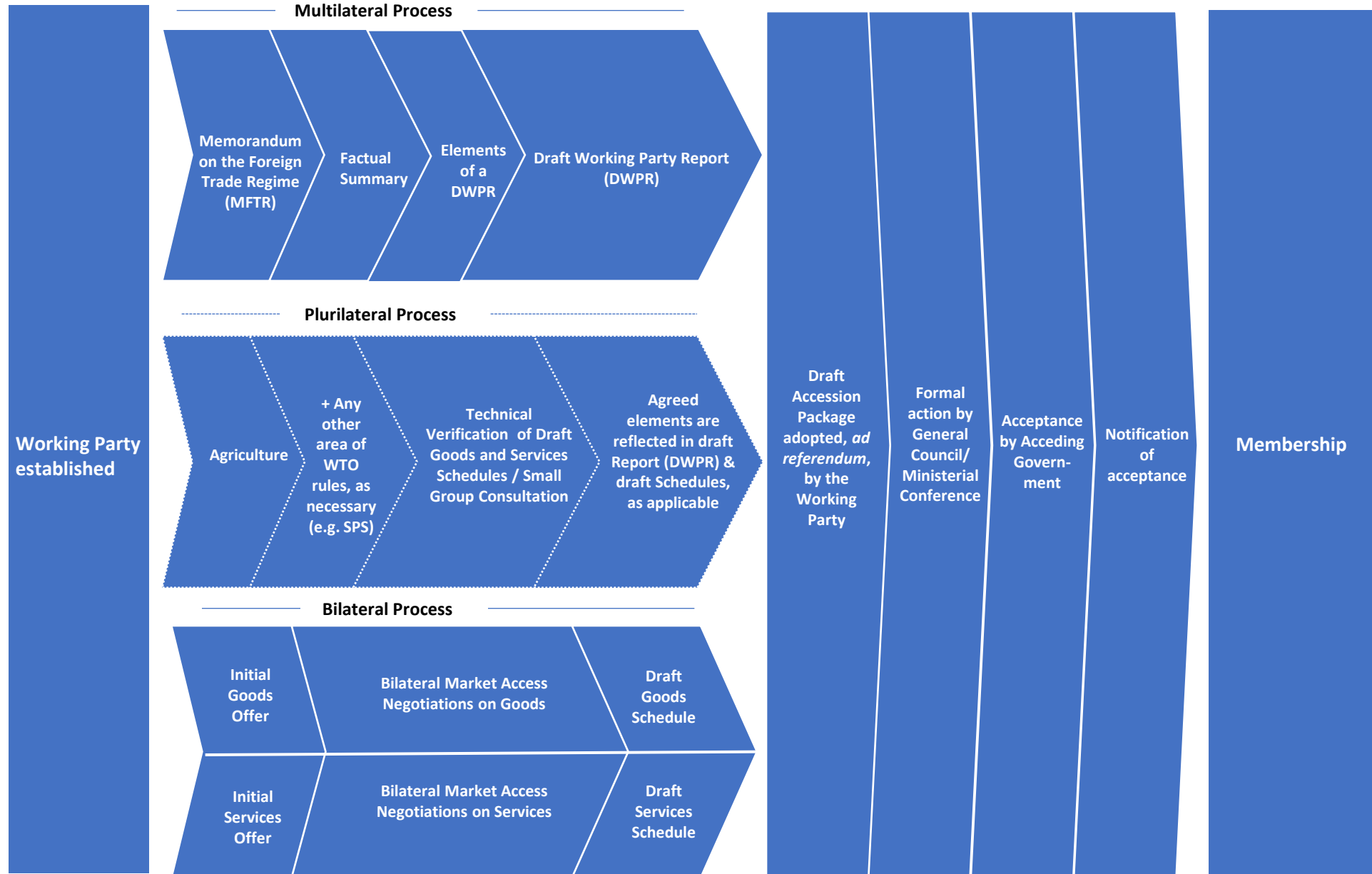
In accordance with Annex 2 to the Rules of Procedure for Sessions of the Ministerial Conference and Meetings and of the General Council (WT/L/161), I would like to state that it is the intention of the Government of Turkmenistan to initiate negotiations for accession to the WTO Agreement within a period of five years. Therefore, the observer status would assist the Government to familiarize itself with the WTO rules and procedures, and to prepare for initiation of the accession negotiations.

Mandate and procedure for WTO accession in accordance with Article XII of the Marrakesh Agreement

Mandate: accession "on terms to be agreed"

Procedure requirements in line with Article XII:

- ❖ Examination of the foreign trade regime of the acceding government,
- ❖ Negotiations and agreement on the Schedules of Commitments and Concessions on Goods in line with the GATT 1994 and the Schedule of Specific Commitments on Services in line with GATS of the acceding government,
- ❖ Agreement on the Report of the Working Party; и
- ❖ Agreement on the Decision and Protocol on WTO Accession.



Multilateral negotiations



- Fact-finding stage
 - Memorandum on the Foreign Trade Regime and 1st meeting of the Working Party
 - Examination of the foreign trade regime (responses to questions, legislation and legislative action plans, additional information on TBT/SPS, TRIPS, etc.)
 - Factual Summary of Points Raised
- Negotiations on accession commitments
 - Draft Working Party Report



MFTR: significance (WT/ACC/22/Rev.1)

- The MFTR provides a comprehensive summary of the acceding government's foreign trade regime, including relevant statistical data. It should be presented following the outline format. The submission of the MFTR is accompanied by supporting data, which includes copies of the acceding government's currently applicable tariff schedule in the Harmonized System (HS) nomenclature and laws and regulations relevant to trade. (para. 10)
- For the acceding government, assuming ownership of the MFTR is of critical importance for the subsequent stages of accession negotiations. It is therefore important that the preparation of the MFTR also provides a platform for capacity-building within the acceding government. (para. 11)

MFTR structure:

WT/ACC/22/Rev.1 – Annex 1

	Table of Content
I.	INTRODUCTION
II.	ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE
1.	Economy
-	General description
-	Current economic situation
2.	Economic policies
-	Main directions of the ongoing economic policies
-	Monetary and fiscal policies
-	Foreign exchange and payments
-	Investment regime
-	State ownership and privatization
-	Pricing policies
-	Competition policy
3.	Foreign trade in goods and services
4.	Domestic trade in services
5.	Information on financial movement related to nationals working abroad, remittances, etc
6.	Information on growth in trade in goods and services over recent years and forecast for years to come

MFTR structure:

WT/ACC/22/Rev.1 – Annex 1 (cont'd)

III.	FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE IN GOODS AND TRADE IN SERVICES
-	Powers of executive, legislative and judicial branches of Government
-	Government entities responsible for making and implementing policies affecting foreign trade
-	Division of authority between central and sub-central Governments
-	Legislative programmes or plans to change the regulatory regime
-	Laws and legal acts
-	Description of judicial, arbitral or administrative tribunals of procedures
IV.	POLICIES AFFECTING TRADE IN GOODS
-	Trading Rights, registration requirements for engaging in importing and exporting
-	Trade facilitation

MFTR structure: WT/ACC/22/Rev.1 – Annex 1 (cont'd)

A. IMPORT REGULATIONS	
-	Characteristics of national tariff
-	Tariff rates quotas and tariff exemptions
-	Other duties and charges
-	Fees and charges for Services Rendered
-	Quantitative import restrictions, including prohibitions, quotas and licensing systems
-	Imports licensing procedures
-	Customs valuation
-	Rules of Origin
-	Other border measures
-	Other customs formalities
-	Pre-shipment inspection
-	Application of internal taxes on imports
-	Anti-dumping regime
-	Countervailing duty regime
-	Safeguard regime

MFTR structure: WT/ACC/22/Rev.1 – Annex 1 (cont'd)

B.	EXPORT REGULATIONS
-	Customs tariff nomenclature, types of duties, duty rates, weighted averages of rates.
-	Quantitative export restrictions, including prohibitions, quotas and licensing systems
-	Export licensing procedures
-	Other measures
-	Export financing, subsidy and promotion policies
-	Export performance requirements
-	Import duty drawback schemes

MFTR structure:

WT/ACC/22/Rev.1 – Annex 1

(cont'd)

C.	INTERNAL POLICIES AFFECTING FOREIGN TRADE IN GOODS
-	Industrial policy, including subsidies
-	Technical barriers to trade, standards and certification
-	Sanitary and phytosanitary measures
-	Trade-related investment measures
-	Free zones, special economic zones
-	Trade-related environment policies
-	Mixing Regulations
-	Government-mandated counter trade and barter
-	Trade agreement leading to country-specific quota allocation
-	Government procurement
-	Regulation of trade in transit
-	Agricultural policies
-	Policies affecting foreign trade in other sectors

V.	TRADE-RELATED INTELLECTUAL PROPERTY REGIME
1.	General
-	General
-	Intellectual property policy
-	Responsible agencies for policy formulation and implementation
-	Membership of international intellectual property conventions and of regional or bilateral agreements
-	Application of national and most favoured nation treatment to foreign nationals
-	Fees and taxes
2.	Substantive standards of protection
-	Copyright and related rights, patents
-	Trademarks, including service marks
-	Geographical Indications, including appellations of origin
-	Industrial designs
-	Patents
-	Plant variety protection
-	Layout designs of integrated circuits
-	Requirements on undisclosed information, including trade secrets and test data
-	Any other categories of intellectual property
3.	Measures to control abuse of intellectual property
4.	Enforcement
-	General
-	Civil judicial procedures and remedies
-	Provisional measures
-	Any administrative procedures and remedies
-	Any special border measures
-	Criminal procedures
5.	Laws, decrees, regulations, and other legal acts
6.	Statistical data on applications for and grants of intellectual property rights, as well as any statistical data on their enforcement

VI.	TRADE RELATED SERVICES REGIME
1.	General
2.	Policies affecting trade in services
-	General
-	Government departments, agencies, professional associations or other bodies with authority or a role relevant to the conduct of service activities
-	Judicial, arbitral or administrative tribunals or procedures providing for the review of, or remedies in relation to, administrative decisions affecting trade in services
-	Provisions, including those in international agreements, concerning qualification requirements and procedures, technical standards and licensing and/or registration requirements for the supply of services
-	Provisions governing the existence and operation of monopolies or exclusive service suppliers
-	Provisions relating to safeguard measures as they apply to trade in services
-	Provisions relating to international transfers and payments for current transactions of services
-	Provisions relating to capital transactions affecting the supply of services
-	Provisions governing the procurement by Governmental agencies of services
-	Provisions concerning any form of aid, grant, domestic subsidy, tax incentive or promotion scheme affecting trade in services
3.	Market access and national treatment
-	Limitations on the number of service suppliers
-	Limitations on the total value of service transactions or assets
-	Limitations on the total number of service operations or on the total quantity of service output
-	Limitations on the total number of natural persons that may be employed in a particular service sector
-	Restrictions on, or requirements on specific types of legal entity through which a service may be supplied
-	Limitations on the participation of foreign capital
-	Measures providing for less than the treatment accorded to national services or service suppliers
4.	Most-Favoured-nation (MFN) treatment

MFTR

structure:

WT/ACC/22/R

ev.1 – Annex

- Approx. 300 paragraphs
- Approx. 30 Annexes
- 100-200 questions
- **Accompanying documents:**
 - Responses to Members' questions
 - Translations of legislation
 - Legislative Action Plan

VII.	TRANSPARENCY
-	Publication of information on trade
-	Notifications
VIII.	TRADE AGREEMENTS
-	Bilateral or plurilateral agreements relating to foreign trade in goods and trade in services
-	Economic integration, Customs Union and Free Trade Agreement
-	Labour markets integration agreements
-	Multilateral economic cooperation, membership in the multilateral economic organizations, trade-related programmes of other multilateral organizations
	ANNEXES

MFTR in Numbers: Completed WTO Accessions

Member	Application Date	WP Establishment	MFTR Symbol	MFTR Date	No. of Questions on MFTR
Afghanistan	10.04.03	13.12.04	WT/ACC/AFG/4	31.03.09	168
Albania	20.11.92	2-3/12/1992	L/7613	25.01.95	524
Armenia	29.11.93	17.12.93	WT/ACC/ARM/1	10.04.95	147
Bulgaria	08.09.86	17.10.86	L/6364	22.06.88	162
Cabo Verde	11.11.99	17.07.00	WT/ACC/CPV/3	01.07.03	277
Cambodia	08.12.94	21.12.94	WT/ACC/KHM/2	22.06.99	375
China	10.07.86	04.03.87	L/6125 & WT/ACC/CHN/15	2/18/1987 & 3/21/2000	
Chinese Taipei	15.01.92	29.09.92	L/7097	29.10.92	38
Croatia	22.09.93	27.10.93	WT/ACC/HRV/5	29.03.96	524
Ecuador	18.09.92	29.09.92	L/7202	17.05.93	86
Estonia	10.03.94	23.03.94	L/7423	28.03.94	175
Georgia	03.07.96	18.07.96	WT/ACC/GEO/3	07.04.97	442
Jordan	06.01.94	25.01.94	L/7533	10.10.94	830
Kazakhstan	29.01.96	06.02.96	WT/ACC/KAZ/3	23.09.96	506
Kyrgyz Republic	13.02.96	16.04.96	WT/ACC/KGZ/3	23.08.96	779
Lao PDR	16.07.97	19.02.98	WT/ACC/LAO/3	28.03.01	523
Latvia	08.11.93	17.12.93	L/7526	29.08.94	313
Liberia	25.06.07	18.12.07	WT/ACC/LBR/3	20.04.11	157
Lithuania	18.01.94	22.02.94	L/7551	14.12.94	549
Moldova	25.11.93	17.12.93	WT/ACC/MOL/2	23.09.96	197
Mongolia	17.06.91	08.10.91	L/6943	22.01.92	93
Montenegro	23.12.04	15.02.05	WT/ACC/CGR/3	08.03.05	747
Nepal	16.05.89	21.06.89	WT/ACC/NPL/2	10.08.98	364
North Macedonia	30.11.94	21.12.94	WT/ACC/807/2	12.04.99	288
Oman	22.04.96	26.06.96	WT/ACC/OMN/2	29.10.96	310
Panama	16.08.91	08.10.91	L/7228	16.08.93	
Russian Federation	04.06.93	14.07.93	L/7410 & WT/ACC/SPEC/RUS/21	3/1/1994 & 5/29/2001	395
Samoa	15.04.98	15.07.98	WT/ACC/SAM/2	17.02.00	292
Saudi Arabia	13.06.93	7/21/193	WT/ACC/SAU/4	13.05.96	186
Seychelles	08.05.95	11.07.95	WT/ACC/SYC/3 & WT/ACC/SYC/9	8/22/1996 & 5/26/2009	476
Tajikistan	29.05.01	18.07.01	WT/ACC/TJK/3	21.02.03	544
Tonga	11.08.95	15.11.95	WT/ACC/TON/3	07.05.98	183
Ukraine	30.11.93	17.12.93	L/7499 & WT/ACC/UKR/9	7/26/1994 & 10/11/1995	352
Vanuatu	07.06.95	11.07.95	WT/ACC/VUT/2	30.11.95	269
Viet Nam	04.01.95	31.01.95	WT/ACC/VNM/2	24.09.96	1751
Yemen	12.04.00	17.07.00	WT/ACC/YEM/3	20.11.02	284

MFTR in Numbers: Ongoing WTO Accessions

Algeria	03.06.87	31.01.95	WT/ACC/DZA/1	11.07.96	806
Andorra	04.07.97	22.10.97	WT/ACC/AND/3	04.03.99	225
Azerbaijan	30.06.97	16.07.97	WT/ACC/AZE/2	09.04.99	143
Bahamas	10.05.01	18.07.01	WT/ACC/BHS/3	17.04.09	406
Belarus	23.09.93	27.10.93	WT/ACC/BLR/1	16.01.96	208
Bhutan	01.09.99	06.10.99	WT/ACC/BTN/3	27.02.03	193
Bosnia and Herzegovina	11.05.99	15.07.99	WT/ACC/BIH/3	10.10.02	524
Comoros	22.02.07	09.10.07	WT/ACC/COM/3	25.10.13	143
Curaçao	31/10/2019	03.03.20	N/A	N/A	N/A
Equatorial Guinea	19.02.07	5-6/02/2008	N/A	N/A	N/A
Ethiopia	13.01.03	10.02.03	WT/ACC/ETH/3	25.01.07	196
Iran	30.09.04	26.05.05	WT/ACC/IRN/3	24/11/2009	697
Iraq	30.09.04	13.12.04	WT/ACC/IRQ/3 & WT/ACC/IRQ/10	9/16/2005 & 2/9/2018	317
Lebanese Republic	04.02.99	14.04.99	WT/ACC/LBN/3	13.06.01	356
Libya	25.11.01	27.07.04	N/A	N/A	N/A
Sao Tome et Principe	14.01.05	26.05.05	N/A	N/A	N/A
Serbia	23.12.04	15.02.05	WT/ACC/SRB/3	17.03.05	929
Somalia	12.12.15	07.12.16	WT/ACC/SOM/3	04.05.20	N/A
South Sudan	05.12.17	13.12.17	WT/ACC/SSD/3	21.12.18	8
Sudan	11.10.94	25.10.94	WT/ACC/SDN/3 & WT/ACC/SDN/24	1/26/1999 & 10/25/2016	561
Syrian Arab Republic	10.10.01	04.05.10	N/A	N/A	N/A
Timor-Leste	07.04.15	12.07.16	WT/ACC/TLS/3	23.06.17	75
Uzbekistan	08.12.94	21.12.94	WT/ACC/UZB/2 & WT/ACC/UZB/18	10/21/1998 & 25/07/2019	3798

Multilateral negotiations in numbers



No	Article XII Member	Membership Date	Number of Overall Legislation	Number of Questions responded
1	Ecuador	21/01/1996	69	111
2	Bulgaria	01/12/1996	26	276
3	Mongolia	29/01/1997	33	146
4	Panama	06/09/1997	45	502
5	Kyrgyz Rep.	20/12/1998	155	952
6	Latvia	10/02/1999	77	396
7	Estonia	13/11/1999	77	490
8	Jordan	11/04/2000	52	929
9	Georgia	14/06/2000	53	512
10	Albania	08/09/2000	66	607
11	Oman	09/11/2000	55	808
12	Croatia	30/11/2000	111	919
13	Lithuania	31/05/2001	167	640
14	Moldova	26/07/2001	124	861
15	China	11/12/2001	2,300	441
16	Chinese Taipei	01/01/2002	96	960
17	Armenia	05/02/2003	87	434
18	FYR Macedonia	04/04/2003	132	829

No	Article XII Member	Membership Date	Number of Overall Legislation	Number of Questions responded
19	Nepal	23/04/2004	24	466
20	Cambodia	13/10/2004	85	460
21	Saudi Arabia	11/12/2005	95	1218
22	Viet Nam	11/01/2007	184	3511
23	Tonga	27/07/2007	74	416
24	Ukraine	16/05/2008	385	3810
25	Cape Verde	23/07/2008	73	888
26	Montenegro	29/04/2012	114	1015
27	Samoa	10/05/2012	123	914
28	Russian Fed.	22/08/2012	529	2566
29	Vanuatu	24/08/2012	123	343
30	Lao PDR	02/02/2013	159	1224
31	Tajikistan	02/03/2013	137	1296
32	Yemen	26/06/2014	58	1164
33	Seychelles	26/04/2015	287	1043
34	Kazakhstan	30/11/2015	412	1900
35	Liberia	14/07/2016	102	264
36	Afghanistan	29/07/2016	75	773

Based on: (i) pieces of legislation submitted to the Secretariat; and (ii) replies to questions submitted on trade regime, except in AG dom. support

MFTR preparation

- Core technical group with focal points in line ministries / agencies
 - => core negotiating team led by Chief Negotiator
- Small ministry groups
- Involvement of other stakeholders as necessary
- Technical assistance from development partners and WTO Secretariat
- Approval by the responsible interministerial body

- **IMPORTANT:** Submission of an up-to-date document to WTO Members

Technical assistance (WHO Secretariat in coordination with other international organizations and development partners – WBG, ADB, etc.)

Technical assistance includes:

- National Seminars;
- Sessions on WTO Accessions as part of advanced trade policy courses, regional courses and introductory courses on WTO;
- Technical sessions (workshops);
- TA missions;
- Establishment / modernisation of reference centers;
- E-learning courses;
- Outreach dialogue with WTO groups;
- Conferences participation; and
- Individual briefings on WTO accessions for delegations.

Questions?

